

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

FRIDAY, MARCH 30, 2012, AT 5:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 5:00 pm., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D; Robert D. Sangster; Michael F. Ryan; Michael A. Traficante; Bradford S. Dimeo (arrived at 5:02 pm).

BOARD MEMBER ABSENT: Joseph M. Cianciolo; Deborah M. Thomas.

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Ryan and seconded by Mr. Traficante to approve the minutes of the Board of Director's Meeting of February 15, 2012, and the Special Board Meeting of March 1, 2012. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum.

Mr. Langseth, representing the Greenwich Bay Watershed, addressed the Board with his concerns related to the financing for the glycol project. Mr. Langseth also noted that he would be meeting with representatives of CCRI regarding the relocation of the ballfields, but before that meeting he would like to get a clearer understanding of the financing. Mr. Langseth asked if he could be given access to financial and engineering data concerning the project.

Mr. Zarum, a citizen of Warwick, addressed the Board with his concerns related to the Corporation's financial sustainability. Mr. Zarum referred specifically to some financial data that was developed at the beginning of the EIS process related to the preferred alternative analysis.

3. Report from President and CEO:

Mr. Dillon addressed Mr. Zarum's concerns noting that the

information Mr. Zarum was referring to was outdated as there have been substantial changes to the EIS project. Mr. Dillon gave an overview of the current EIS project costs and proposal for FAA financing.

Mr. Dillon reported that total PVD passenger traffic in February 2012 was up 7.34% on 6% less capacity. Even though the February 2012 numbers included one extra day because of the Leap Year, this still shows a growth over February 2011's numbers.

Mr. Dillon reported that for February 2012 total operations at the GA airports were up 14.04%. Fuel sales for that period were up 1.14%.

Mr. Dillon reported that he is still in discussions with JetBlue about commencing service at T. F. Green Airport.

Mr. Dillon reported that Southwest's seasonal service from Providence to Fort Myers has been very successful with load factors averaging 96%.

Mr. Dillon reported that PEOPLExpress held a reception on March 14, 2012 to announce that T. F. Green Airport is one of the airports that they intend to serve. PEOPLExpress is still waiting for official FAA certification so no exact timeline for service start has been announced.

Mr. Dillon reported that he had met with the Senate Finance Committee on March 1, 2012, and the House Finance Committee on March 21, 2012, concerning Kushner approval for the airport bonds.

Mr. Dillon reported that the FAA Annual Certification Inspection is scheduled for April 23 – 25, 2012.

Mr. Dillon reported that the airport would be holding its Annual Airport Emergency Plan Exercise on April 27, 2012.

Mr. Dillon reported that the airport is moving ahead with the creation of a 50-space Cell Phone Lot. A location has been selected at the intersection of Post Road and Strawberry Field Road (formerly the Prestige Lot). The appropriate paperwork has been filed with the City and it is anticipated that the proposal will go to the Warwick Zoning Board in May. Mr. Dillon noted that staff is also working on developing a concessions plan for the site.

4. Action Items:

(a) Consideration of and Action Upon Approval of a Consultant Task Order for Program Management Team Services at T. F. Green Airport.

Mr. Dillon gave an overview of the Task Order. The recommendation is that the Board authorize the President and CEO, or his designee, to

execute a Task Order with AECOM Technical Services, Inc., to prepare an independent program and construction cost estimate, perform a constructability review and develop a program master schedule for the Runway 16-34 Safety Area Improvements, and the Runway 5-23 extension projects proposed for T. F. Green Airport.

A motion was made by Mr. Sangster and seconded by Mr. Ryan to approve the following resolution:

WHEREAS, on September 21, 2011, the Board approved the selection of AECOM Technical Services, Inc. (AECOM) to provide Program Management Services for the T. F. Green Airport Improvement Program; and

WHEREAS, subsequent to this approval, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) dated October 15, 2011 with AECOM to provide these services; and

WHEREAS, RIAC has negotiated a Scope and Fee with AECOM in the amount of \$236,957 to prepare an independent program and construction cost estimate, perform a constructability review and develop a program master schedule for the Runway 16-34 Safety Area Improvements and the Runway 5-23 Extension projects proposed for T. F. Green Airport; and

WHEREAS, this Scope and Fee has been reviewed and approved by the Federal Aviation Administration (FAA); and

WHEREAS, this Task Order in the amount of \$236,957 will initially be funded from the General Purpose Fund; and

WHEREAS, RIAC will seek reimbursement of 75% of the expenditures related to the Runway 16-34 Safety Area Improvements from the FAA through the Airport Improvement Program; and

WHEREAS, the costs associated with the Runway 5-23 Extension will be included in the requested Letter of Intent (LOI) for reimbursement at the approved funding level; and

WHEREAS, RIAC plans to reimburse its matching share of this Task Order from the anticipated Fiscal Year 2013 bond issue or Passenger Facility Charges. .

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Task Order with AECOM Technical Services, Inc. to prepare an independent program and construction cost estimate, perform a constructability review and develop a program master schedule for the Runway 16-34 Safety Area Improvements and the Runway 5-23 Extension projects proposed for T. F. Green Airport in an amount not

to exceed \$236,957.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Consultant Task Order for the Mandatory Land Acquisition for Runway 16-34 Safety Area Improvements Project at T. F. Green Airport.

Mr. Dillon gave an overview of the Task Order. There was detailed discussion on the scope of the services to be provided, and the timeline for the acquisitions. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Task Order with W. D. Schock Company, Inc., for acquisition and relocation services associated with the Runway 16-34 Safety Area Improvements Project. It was noted that this would be subject to FAA approval.

A motion was made by Mr. Traficante and seconded by Mr. Dimeo to approve the following resolution:

WHEREAS, on October 20, 2010, the Board approved the selection of W. D. Schock Company, Inc., (Schock) to provide On-Call Land Acquisition and Relocation Services and Avigation Easement Acquisition Services for the Rhode Island Airport System; and

WHEREAS, subsequent to this approval, the Rhode Island Airport

Corporation (RIAC) entered into a Professional Services Agreement (Agreement) dated December 15, 2010, with Schock to provide these services; and

WHEREAS, to date, one Task Order has been issued under this Agreement in the amount of \$756,470 to perform Acquisition and Relocation Services for Phase 4 of the 2020 No-Build Voluntary Land Acquisition Program at T. F. Green Airport; and

WHEREAS, on September 23, 2011, the Federal Aviation Administration (FAA) issued the Record of Decision on the T. F. Green Airport Improvement Program, which included safety area improvements for Runway 16-34; and

WHEREAS, this Task Order with Schock is to provide Acquisition, Relocation and Property Management Services for the mandatory acquisitions associated with the Runway 16-34 Safety Area Improvements Project; and

WHEREAS, RIAC negotiated a Scope and Fee with Schock in the amount of \$933,136 for the services associated with this Task Order; and

WHEREAS, this Task Order will initially be funded from the General Purpose Fund; and

WHEREAS, RIAC will seek reimbursement of 75% of the expenditures (\$699,852) from a Federal Aviation Administration (FAA) through the Airport Improvement Program and 25% (\$233,284) from the anticipated Fiscal Year 2013 bond issue or Passenger Facility Charges; and

WHEREAS, the project is included in the approved Fiscal Year 2012 Capital Improvement Program (CIP).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Task Order with W. D. Schock Company, Inc., for Acquisition, Relocation and Property Management Services associated with the mandatory land acquisitions required for the Runway 16-34 Safety Area Improvements project at T. F. Green Airport in an amount not to exceed \$933,136.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval of a Reimbursable Agreement with the Federal Aviation Administration for the Runway 16-34 Safety Area Improvements Project at T. F. Green Airport.

Mr. Dillon gave an overview of the agreement. The recommendation is that the Board authorize the President and CEO, or his designee, to

execute a Reimbursable Agreement with the Federal Aviation Administration to provide engineering and technical support services related to the Runway 16-34 Safety Area Improvement Project at T. F. Green Airport, subject to receipt of a federal grant offer.

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Runway 16-34 Safety Area Improvements Project at T. F. Green Airport requires engineering and technical assistance from the Federal Aviation Administration (FAA) to replace or relocate the navigation and lighting equipment facilities, along with the associated power and control distribution systems; and

WHEREAS, RIAC staff has received and negotiated a Reimbursable Agreement (Agreement) with the FAA in the amount of \$109,357 to provide these services; and

WHEREAS, this Agreement will initially be funded from the General Purpose Fund; and

WHEREAS, RIAC will seek reimbursement of 75% of the expenditures (\$82,018) from the FAA through the Airport Improvement Program and 25% (\$27,339) from the anticipated Fiscal Year 2013 bond issue or Passenger Facility Charges; and

WHEREAS, the project is included in the approved Fiscal Year 2012 Capital Improvement Program (CIP).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute a Reimbursable Agreement with the Federal Aviation Administration in the amount of \$109,357 to provide Engineering and Technical Support Services related to the Runway 16-34 Safety Area Improvements Project at T. F. Green Airport, subject to receipt of a federal grant offer.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a Consultant Task Order Amendment for the Warwick InterLink Facility at T. F. Green Airport.

Mr. Dillon gave an overview of the Task Order Amendment. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Task Order Amendment with PB Americas, Inc., to continue to provide Project Management and Engineering Services in support of the revised project schedule related to the Warwick InterLink Facility at T. F. Green Airport, subject to Rhode Island Department of Transportation and Federal Highway Administration approval.

A motion was made by Mr. Traficante and seconded by Mr. Ryan to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) dated May 1, 2007 with PB Americas, Inc. (PB) to provide Project Management Services for the InterLink Facility; and

WHEREAS, there is a need to continue to provide Project Management and Engineering Services in support of the revised project schedule; and

WHEREAS, RIAC has negotiated a Scope and Fee from PB to provide these services in the amount of \$135,000; and

WHEREAS, this project is budgeted in RIAC's Capital Improvement Program (CIP) in the amount of \$266,995,467, with funding through the Series 2006 First Lien Bond proceeds, proceeds from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, Federal Highway Administration (FHWA) Grants, State of Rhode Island Grants and Customer Facility Charges (CFCs).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorize the President and CEO, or his designee, to

execute a Task Order Amendment with PB Americas, Inc. in an amount not to exceed \$135,000 to continue to provide Project Management and Engineering Services in support of the revised project schedule related to the Warwick InterLink Facility at T. F. Green Airport, subject to Rhode Island Department of Transportation and Federal Highway Administration approval.

The motion was passed unanimously.

5. Finance and Audit Committee Report:

There was a brief overview of the Finance and Audit Committee Meeting which was held on March 21, 2012. Mr. Dillon noted that there were two consent agenda items for approval by the Board.

Consent Items:

(a) Consideration of and Action Upon Award of Auditing Services for the Rhode Island Airport Corporation.

A motion was made by Mr. Ryan and seconded by Mr. Dimeo to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) on February 13, 2012 for Auditing Services and conducted a selection process pursuant to RIAC's

Procurement Rules; and

WHEREAS, a Selection Committee comprised of: Brian Schattle, Chief Financial Officer; Doug Dansereau, Chief Auditor; and Nicole Williams, Corporate Controller, was formed to evaluate the responses to the RFP; and

WHEREAS, the Selection Committee received six proposals and selected McGladrey & Pullen, LLP to provide Auditing Services for a three year period; and

WHEREAS, the fees for the audits of financial statements are \$23,800, \$25,000 and \$26,250 for the Fiscal Years ended June 30, 2012, 2013 and 2014, respectively; and

WHEREAS, the fees for the Single Audit are \$9,800, \$10,300 and \$10,800 for the Fiscal Years ended June 30, 2012, 2013 and 2014, respectively; and

WHEREAS, the fees for the Passenger Facility Charge (PFC) Audit are \$4,900, \$5,100 and \$5,350 for the Fiscal Years ended June 30, 2012, 2013 and 2014, respectively; and

WHEREAS, the proposed Fiscal Year 2013 Operating and Maintenance (O&M) Budget will include \$38,500 for the first year of services; and

WHEREAS, funding for these services, in future years, will be established on an annual basis as part of the O&M budget; and

WHEREAS, this selection requires approval of the Auditor General and the Director of Administration of the State of Rhode Island.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the engagement of McGladrey & Pullen, LLP to provide Auditing Services to the Rhode Island Airport Corporation for a one year period with two, one year renewals at the sole discretion of RIAC, subject to the approval of the Auditor General and Director of Administration of the State of Rhode Island.

The motion was passed unanimously.

(b) Consideration of and Action Upon Fiscal Year 2013 Airport Project Inducement Resolution:

A motion was made by Mr. Ryan and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is a public corporation, governmental agency and instrumentality of the State of Rhode Island and Providence Plantations (the State) organized and

existing under Chapter 64 of Title 42 of the Rhode Island General Laws, as amended (the Act) as a subsidiary public corporation of the Rhode Island Economic Development Corporation (EDC); and

WHEREAS, RIAC has the power, pursuant to Section 42-64-2(g) and Section 42-65-5 of the Act "to furnish proper and adequate airport facilities within the State...;" and

WHEREAS, RIAC is planning to undertake the Fiscal Year 2013 Airport Project, consisting of the financing of various capital projects; and

WHEREAS, RIAC intends to finance the Fiscal Year 2013 Airport Project by requesting the EDC to issue Airport Revenue Bonds (the Fiscal Year 2013 Airport Bond).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board, on behalf of RIAC, hereby declares its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse certain expenditures made for the Fiscal Year 2013 Airport Project prior to the issuance of the Fiscal Year 2013 Airport Bond in amount not to exceed \$25,000,000.

` The motion was passed unanimously.

6. Executive Session:

At approximately 5:30 p.m., a motion was made by Mr. Dimeo and seconded by Mr. Traficante to go into Executive Session for the purposes of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Sessions Held on February 15, 2012 and March 1, 2012 – R.I.G.L. § 42-46-5(a) (1), (2) and (7); and

(b) Discussion Related to One Pending Litigation Matter (EIS) and Working Session Regarding Potential Collective Bargaining Issues - R.I.G.L. § 42-46-5(a)(2); and

(c) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Airport and Air Service Development, GA Airport Event, and Newport Airport Terminal) – R.I.G.L. § 42-46-5(a)(7); and

(d) Discussion Related to Job Performance – R.I.G.L. § 42-46-5(a)(1); and

(e) Motion to Return to Open Session.

It was noted for the record, that the affected individual had been notified in writing that the public body intended to convene in

Executive Session in order to discuss their job performance and had declined to have this discussion take place in Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Robert D. Sangster

Michael A. Traficante

Michael F. Ryan

NAYS: None

ABSTAIN: None

At approximately 6:20 p.m., a motion was made by Mr. Dimeo and seconded by Mr. Traficante to reconvene to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on March 30, 2012.

A motion was made by Mr. Dimeo and seconded by Mr. Traficante to seal the minutes of the Executive Session in accordance with R.I.G.L.

§ 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Robert D. Sangster

Michael A. Traficante

Michael F. Ryan

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken During Executive Session:

During the Executive Session, a motion was made by Mr. Traficante to approve the sealed minutes of the Executive Sessions held on February 15, 2012 and March 1, 2012. The motion was seconded by Mr. Ryan. The motion was passed unanimously.

8. Future Meetings:

The next Board Meeting will be held on Wednesday, April 18, 2012 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Dimeo moved to adjourn at approximately 6:25 p.m. Mr. Traficante seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
FRIDAY, MARCH 30, 2012**

NAME	AFFILIATION
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Brian Schattle RIAC

Peter Frazier RIAC

Woody Cresswell The Paradies Shops

Val Mendonca HNTB

Robert Goff New England Parking

Laurie Brayton Senate Fiscal Office

Raymond Choiniere House Policy Office

Richard Langseth Greenwich Bay Watershed

Michael Zarum Citizen

The minutes of the Executive Session of the Board Meeting of March 30, 2012, have been sealed in accordance with R.I.G.L. § 42-46-4.